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Australia

Competitor

New National Food Industry Strategy for Australia 2002

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Report Highlights:

The Australian Federal Government has set aside A\$102.4 million over five years for a National Food Industry Strategy.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Canberra [AS1], AS

A new National Food Industry Council is being established to oversee the implementation of the Australian Federal Government's five year A\$102.4 million National Food Industry Strategy (NFIS).

The NFIS, covering processed food and beverages, processed ingredients, horticulture products and supplier industries, has as its main objective: "to enable the industry to capture emerging opportunities and successfully compete in the global food market." The NFIS was developed during 2001 through extensive industry and government consultations under the leadership of the National Food Industry Advisory Council, comprised of senior industry representatives from all sectors of the food supply chain. The NFIS is to commence in July 2002.

The Strategy's vision is that 'By 2007, the Australian food industry will be a significant global player with a sustainable and profitable role in the global food production system.'

The National Food Industry Council will oversight management of NFIS' funded initiatives and provide strategic direction. Establishment of the Council is one of the key elements of the overall Strategy. The new Council will be comprised of a broadly based membership and will replace the Prime Minister's Supermarket to Asia Council (STA). The Council will have a broader role than the STA Council and will report to the Minister for Agriculture, Fisheries and Forestry. Funding of A\$14.7 million has been allocated to establish and operate the Council and to fund other tasks to support its work. In addition to this Council, a Commonwealth/State Food Committee has been established to provide a forum for Federal and State food agencies to consult on food industry policy issues.

Other key elements of the NFIS are:

- a product and service innovation strategy aimed at enabling superior innovation performance by Australian based firms which will build on research and development activities and infrastructure and establish a Food Innovations Grants Program;
- a food trade initiative to develop and implement an international food market entry strategy with a focus on market access, trade development and promotion; and,
- a strategy to build more competitive supply chains and improve national food safety and quality systems.

Food Innovation Program

The Government has allocated A\$47.1 million to the Strategy's innovation component, which is aimed at enabling superior innovation performance by Australian based firms. Innovation initiatives supported under the Strategy are:

- The Food Innovation Grants Program (funding of A\$34.7m) - aims to increase levels of strategic investment in R&D conducted by firms, enhance linkages between public and firm-based R&D activities, increase awareness by the food industry of the importance of innovation as a driver for business growth, and enhance industry's understanding of an ability to plan and manage the process of innovation.
- The Centers of Excellence Program (funding of A\$12.4m) - aims to contribute to

establishing Australia as an international center for food industry innovation, particularly in developing human capital around fields of research that demonstrate strategic potential for the future, including establishing a food graduate management development program.

International Market Entry Strategy

One of the major elements of the NFIS is to develop an international food market entry strategy that will provide an integrated approach to market and technical market access, trade development and promotion (funding of A\$24.9m). To underpin this component of the Strategy, the Federal Government has announced the:

- continuation and expansion of the Technical Market Access Program;
- establishment of a Food Market Industry Development Program; and,
- an increased commitment to pursue Australian objectives in international standard-setting bodies, particularly the Codex Alimentarius Commission.

Supply Chains and Food Product Integrity

An A\$15.6 million initiative will support and accelerate the efforts of Australian food and agribusinesses to better compete internationally through building more competitive supply chains while also improving national food safety and quality systems. This is to be achieved through building business networks, particularly linking SMEs, and coordinating initiatives with Commonwealth and State agencies to improve the efficiency of product and information flow and reduce the costs associated with food safety and quality assurance arrangements.

This supply chain initiative aims to boost the competitive performance of supply chains for Australian food products. A key outcome of the initiative is to improve compliance and cost effectiveness of food safety and quality systems through a national framework for training, risk assessment and information dissemination, including a cooperative approach to addressing unnecessary costs and duplications and enhancing the scientific rigor of these systems.